

KKR Income Opportunities Fund
Form N-Q
March 24, 2016

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number (811-22543)

KKR Income Opportunities Fund
(Exact name of registrant as specified in charter)

KKR Credit Advisors (US) LLC

555 California Street, 50th Floor

San Francisco, California
(Address of principal executive offices)

94104
(Zip code)

U.S. Bancorp Fund Services. LLC

615 East Michigan Street

Milwaukee, WI 53202
(Name and address of agent for service)

Registrant's telephone number, including area code: (415) 315-3620

Date of fiscal year end: October 31, 2016

Date of reporting period: January 31, 2016

Item 1. Schedule of Investments.

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Income Opportunities Fund

January 31, 2016

(Unaudited)

Schedule of Investments

	Par	Value
HIGH YIELD SECURITIES - 69.7%		
Air Freight & Logistics - 4.2%		
XPO Logistics, Inc.		
7.875%, 09/01/2019 (a)	5,317,000	\$ 5,303,708
6.500%, 06/15/2022 (a)	4,986,000	4,462,470
		9,766,178
Banks - 3.3%		
Novo Banco SA		
0.000%, 02/19/2049 (a) (g) (i)	EUR 8,602,000	908,554
0.000%, 02/27/2051 (a) (g) (i)	EUR 3,601,000	390,094
0.000%, 04/09/2052 (g) (i)	EUR 246,000	26,649
SquareTwo Financial Corp.		
11.625%, 04/01/2017 (d) (e)	14,720,000	6,329,600
		7,654,897
Building Products - 5.0%		
Builders FirstSource, Inc.		
10.750%, 08/15/2023 (a)	2,678,000	2,507,278
New Enterprise Stone & Lime Co., Inc.		
13.000%, 03/15/2018 (c) (d) (e)	8,843,516	9,020,386
		11,527,664
Chemicals - 4.7%		
Platform Specialty Products Corp.		
10.375%, 05/01/2021 (a)	6,534,000	6,109,290
Univar, Inc.		
6.750%, 07/15/2023 (a)	5,387,000	4,767,495
		10,876,785
Communications Equipment - 1.1%		
Riverbed Technology, Inc.		
8.875%, 03/01/2023 (a)	2,772,000	2,532,915
Construction Materials - 5.6%		
Cemex Materials LLC		
7.700%, 07/21/2025 (a)	13,760,000	12,865,600
Diversified Telecommunicaiton Services - 1.2%		
Zayo Group LLC.		
6.375%, 05/15/2025	2,917,000	2,829,490
Electric Utilities - 2.5%		
Dynergy, Inc.		
7.375%, 11/01/2022	3,077,000	2,723,145
7.625%, 11/01/2024	3,507,000	3,086,160
		5,809,305

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Electronic Equipment, Instruments & Components - 3.6%

Artesyn Technologies, Inc.

9.750%, 10/15/2020 (a)	9,594,000	8,346,780
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Hotels, Restaurants & Leisure - 2.7%

ClubCorp Club Operations, Inc.

8.250%, 12/15/2023 (a)	3,218,000	3,073,190
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MGM Resorts International

8.625%, 02/01/2019	2,947,000	3,280,379
		6,353,569

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	Par	Value
HIGH YIELD SECURITIES - 69.7% (continued)		
Household Durables - 0.1%		
The Hillman Group, Inc.		
6.375%, 07/15/2022 (a)	354,000	\$ 295,590
Insurance - 3.7%		
Hub International Ltd.		
7.875%, 10/01/2021 (a)	5,000,000	4,387,500
Towergate		
8.750%, 04/02/2020 (a) (d) (e) (g)	GBP 3,310,813	4,045,344
		8,432,844
IT Services - 0.9%		
iPayment Investors LP		
9.500%, 12/15/2019 (a) (d) (e)	2,068,147	2,088,828
Machinery - 0.7%		
Nesco		
6.875%, 02/15/2021 (a)	2,797,000	1,678,200
Media - 7.9%		
Block Communications, Inc.		
7.250%, 02/01/2020 (a)	418,000	414,865
Cequel Communications Holdings LLC		
7.750%, 07/15/2025 (a)	7,151,000	6,400,145
Clear Channel International BV		
8.750%, 12/15/2020 (a)	1,586,000	1,562,210
Clear Channel Outdoor, Inc., Series B		
7.625%, 03/15/2020	3,815,000	3,142,606
Intelsat Jackson Holdings SA		
7.250%, 04/01/2019 (g)	3,872,000	3,513,840
5.500%, 08/01/2023 (g)	4,150,000	3,309,625
		18,343,291
Oil, Gas & Consumable Fuels - 4.4%		
Bill Barrett Corp.		
7.000%, 10/15/2022	7,699,000	4,292,193
Hilcorp Energy I LP (Hilcorp Finance Co.)		
7.625%, 04/15/2021 (a)	2,864,000	2,599,080
The Williams Cos., Inc.		
4.550%, 06/24/2024	5,038,000	3,287,743
		10,179,016
Road & Rail - 2.4%		
The Kenan Advantage Group, Inc.		
7.875%, 07/31/2023 (a)	5,531,000	5,399,639
Semiconductors & Semiconductor Equipment - 1.4%		
Micron Technology, Inc.		
5.250%, 01/15/2024 (a)	3,979,000	3,232,938

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	Par	Value
HIGH YIELD SECURITIES - 69.7% (continued)		
Software - 1.5%		
Datatel, Inc.		
9.000%, 09/30/2023 (a)	516,000	\$ 479,815
TIBCO Software, Inc.		
11.375%, 12/01/2021 (a)	3,594,000	2,983,020
		3,462,835
Specialty Retail - 7.1%		
Guitar Center, Inc.		
6.500%, 04/15/2019 (a)	4,408,000	3,713,740
J.C. Penney Corp., Inc.		
7.950%, 04/01/2017	298,000	303,960
5.750%, 02/15/2018	1,617,000	1,528,065
8.125%, 10/01/2019	7,272,000	6,675,696
5.650%, 06/01/2020	2,516,000	2,075,700
The Mens Wearhouse, Inc.		
7.000%, 07/01/2022	3,010,000	2,152,150
		16,449,311
Textiles, Apparel & Luxury Goods - 1.3%		
Hot Topic, Inc.		
12.000%, 05/15/2019 (a) (c)	1,184,000	1,038,960
9.250%, 06/15/2021 (a)	2,168,000	1,940,360
		2,979,320
Wireless Telecommunication Services - 4.4%		
GCI, Inc.		
6.750%, 06/01/2021	5,100,000	5,061,750
6.875%, 04/15/2025	4,076,000	3,994,480
Sprint Corp.		
7.875%, 09/15/2023	1,642,000	1,174,030
		10,230,260
		161,335,255
TOTAL HIGH YIELD SECURITIES (amortized cost \$189,513,734)		
LEVERAGED LOANS - 66.1%		
Aerospace & Defense - 1.6%		
Sequa Corp., TL 1L 12/12		
5.250%, 06/19/2017 (b)	5,493,930	3,616,846
Building Products - 6.8%		
Gypsum Management & Supply, Inc., TL 2L 03/14		
7.750%, 04/01/2022 (b)	8,621,960	8,248,328
Hanson Building Products North America, TL 1L B 02/15		
6.500%, 03/14/2022 (b)	8,082,595	7,617,846
		15,866,174
Chemicals - 1.2%		
Emerald Performance Materials LLC, TL 2L 07/14		
7.750%, 08/01/2022 (b)	268,490	254,114
Platform Specialty Products Corp., TL 1L 10/15		
5.500%, 06/05/2020 (b)	2,598,597	2,423,192
		2,677,306

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	Par	Value
LEVERAGED LOANS - 66.1% (continued)		
Communications Equipment - 0.0%		
Riverbed Technology, Inc., TL 1L 02/15		
6.000%, 04/25/2022 (b)	32,249	\$ 32,005
Diversified Telecommunication Services - 4.8%		
Lighttower Fiber LLC, TL 2L 04/13		
8.000%, 04/12/2021 (b)	11,523,828	11,091,684
Electronic Equipment, Instruments & Components - 2.4%		
TTM Technologies, Inc., TL 1L B 02/15		
6.000%, 05/31/2021 (b)		